# **Appendix L:**

Hardware Pricing

 $\boldsymbol{Appendix}\;\boldsymbol{L}$ 

## **Hardware Pricing**

| Apr-07       | May-07     | <u>Jun-07</u> | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | Dec-07 |
|--------------|------------|---------------|--------|--------|--------|--------|--------|--------|
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
| With Middlew | are & Card |               | •      |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        |        |        |
|              |            |               |        |        |        |        | -      |        |
|              |            |               |        |        |        |        | :      |        |

Freight In Included, No Card, 30 Day Lag.

Appendix L

## **Hardware Pricing**

|         |              |             | · · · · · · · · · · · · · · · · · · · | ===   | Average |       |        | <del></del> |       | Average |
|---------|--------------|-------------|---------------------------------------|-------|---------|-------|--------|-------------|-------|---------|
|         | Q1-08        | Q2-08       | Q3-08                                 | Q4-08 | 2008    | Q1-09 | Q2-09_ | Q3-09       | Q4-09 | 2009    |
| Basic   |              |             |                                       |       |         |       |        |             |       |         |
| DVR     |              |             |                                       |       |         |       |        |             |       |         |
| HD      |              |             |                                       |       |         |       |        |             |       |         |
| HDDVR   |              |             |                                       |       |         |       |        |             |       |         |
| 18" ODU |              |             |                                       |       |         |       |        | 25.25       |       |         |
| 20" ODU |              |             |                                       |       |         |       |        |             |       |         |
| Ka/Ku   |              |             |                                       |       |         |       |        |             |       |         |
| 3x4     |              |             |                                       |       |         |       |        |             |       |         |
| 4x4     |              |             |                                       |       |         |       |        |             |       |         |
| 4x8     |              |             |                                       |       |         |       |        |             |       |         |
| 6x8     |              |             |                                       |       |         |       |        |             |       |         |
| 6x16    |              |             |                                       |       |         |       |        |             |       |         |
|         | With Middlev | vare & Card | <u>l</u>                              |       |         |       |        |             |       |         |
| Basic   |              |             |                                       |       |         |       |        |             |       |         |
| DVR     |              |             |                                       |       |         |       |        |             |       |         |
| HD      |              |             |                                       |       |         |       |        |             |       |         |
| HDDVR   |              |             |                                       |       |         |       |        |             |       |         |

<sup>:</sup> Freight In Included, No Card, 30 Day Lag.

# **Appendix M:**

Weighted Average Cost of Capital

## **Appendix M**

| Debt Capitalization  Debt Composition                            | <u>Actual</u> | Pre-ta |
|--|---------------|--------|
|  |               |        |
|  | •             |        |
|  |               |        |
|  |               |        |
|  |               |        |
| Tax Rate   | 38.4%         |        |
|  |               |        |
| Equity Capitalization (Quarter-end)                              |               |        |
| Shares Outstanding Market Price                                  |               |        |
| Market Value of Equity   |               |        |
| Cost of Equity =[Risk Free Rate + Levered Beta x Market Premium] |               |        |
| Risk-free rate Levered Beta                                      |               |        |
| Market Premium   |               |        |
| DTV Group Cost of Equity   |               |        |
| Summary Capitalization   |               |        |
| Total Consolidated Debt  Market Value of Equity                  |               |        |
| Total Capitalization   |               |        |
|  | <b>a</b> .    | w      |
| After-tax Cost of Debt   | <u>Cost</u>   | Avera  |
| Cost of Equity   |               |        |
| WACC   |               |        |
|  |               |        |
|  |               |        |
|  |               |        |
|  |               |        |
|  |               |        |
|  |               |        |
|  |               |        |

# **Appendix N:**

Financial Model: EchoStar Will Not Provide LIL in Remaining DMAs

## Appendix N

## **Summary of Assumptions**

| Fixed | Assumption   | Value  |
|-------|--|--------|
| [1]   | Percentage of existing customers adding the LIL service within two years |        |
| [2]   | LIL sell-in rate to baseline growth customers once LIL is offered        | 100.0% |
| [3]   | LIL sell-in rate to additional (growth) customers once LIL is offered    | 100.0% |
| [4]   | Base package ARPU (Yr 2)   |        |
| [5]   | LIL rate assumed   |        |
| [6]   | LIL margin   |        |
| [7]   | Baseline SAC (Yr 2)  |        |
| [8]   | Yr 2-3 Additional SAC for Ka gross adds                                  |        |
| [9]   | Recurring backhaul expense per market per month (\$k)                    |        |

### Notes for Appendix N: Summary of Model Assumptions and Market Impacts

| [1] | Number of existing DIRECTV customers before launch of satellite local-into-local who take the service within two years. This is based on 41 DMAs where LIL was launched in 2004. In these DMAs, the mean number of pre-launch customers who had signed up for LIL by May 2006 was See Appendix I for detailed DMA information. |
|-----|--|
| [2] | The percentage of baseline customers who take satellite local-into-local is assumed to be 100%. See Appendix I.  |
| [3] | The percentage of incremental gross adds is assumed to be 100%.  |
| [4] | DIRECTV's average monthly revenue per user ("ARPU"). DIRECTV's ARPU, which includes both base and premium package revenue, is projected to be \$   |
|     | proportionately commensurate with expected increases in programming costs by assuming a increase the third year,   |
|     | and increases percent yearly thereafter.   |
| [5] | Subscriber fee for local-into-local via satellite is assumed to be month.  |
| [6] | As local broadcast stations have increasingly elected retransmission consent over must-carry status, they have negotiated  |
|     | license fees from MVPDs who carry their channels. The model assumes that the average license fee is per month per  |
|     | user in year two. Given a local-into-local fee, this equates to an gross margin on local-into-local service. This  |
|     | margin is assumed to decrease over time: in year three, in year four, in year four, in years five and six.   |
| [7] | Subscriber acquisition costs ("SAC") reflect the expenses incurred by DIRECTV for each gross add. This includes hardware,  |
|     | installation costs, and commissions. In years two and three of the model this SAC amounts to \$ add. It increases  |
|     | to four, and is assumed to be In addition, roughly of SAC involves fixed marketing   |
|     | costs. Removing this fixed portion of SAC yields a SAC of (Years 2 and 3), (Year 4) (Year 5 and 6).  |
| [8] | Additional technology transition costs are incurred for new gross additions. These incremental costs reflect the cost difference   |
|     | between the Ku-band and Ka-band equipment. In the first two years this differential is estimated to be decreasing to in years four to six to reflect volume discounts on the Ka-band box units. Note that even though we assume DIRECTV  |
|     | doesn't start offering local-into-local via satellite until the middle of Year 2, we make the conservative assumption that these   |
|     | incremental SAC expenses are attributed to ALL gross adds from the beginning of Year 2.  |
| [9] | Recurring backhaul expense per market per month This reflects the cost of transporting the local broadcast signal from the LCF to the RF Uplink where it can be transmitted to the satellite for local-into-local retransmission into the DMA.   |
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Appendix N
EchoStar provides local-into-local

Number of LIL Channels

|      |                                    | Year 2                                  | Year 3  | Year 4  | Year 5                                  | Year 6      |
|------|------------------------------------|---|---------|---------|---|-------------|
|      | DIRECTV Does Not Provide Satellite | Local-Into-Local S                      | Service |         |   |             |
|      | Customer Profile                   |   |         |         |   |             |
| [1]  | TV HH                              | 247,211                                 | 249,683 | 252,180 | 254,702                                 | 257,249     |
| [2]  | Beginning Customers                |   |         |         | *************************************** |             |
| [3]  | Gross Adds                         |   |         |         |   |             |
| [4]  | Disconnects                        |   |         |         |   |             |
| [5]  | Ending Customers                   |   |         |         |   | الاستفع     |
| [6]  | Average Customers (2 pt avg)       | *************************************** |         |         | =                                       | -           |
| [7]  | Ending DIRECTV Market Share        |   |         |         |   |             |
| [8]  | Disconnect Rate                    |   |         |         | *************************************** |             |
| [9]  | Average Gross Adds per Month       |   |         |         |   |             |
| [10] | Gross Add Rate                     |   |         |         |   |             |
|      | Profit & Loss (\$k) - No LIL       |   |         |         |   |             |
|      | Revenue:                           |   |         |         |   |             |
| [11] | Base Package Revenue               |   |         |         |   |             |
| [12] | LIL Revenue                        |   | -       | -       | -                                       |             |
| [13] | Total Revenue                      |   |         |         |   |             |
|      | Expenses:                          |   |         |         |   |             |
| [14] | Programming Costs                  |   |         |         |   |             |
| [15] | Bad Debt                           |   |         |         | -                                       |             |
| [16] | Customer related                   |   |         |         |   |             |
| [17] | Total Direct costs                 |   |         |         |   |             |
| [18] | Total Direct Margin                |   |         |         | <u></u>                                 | Figure 1    |
| [19] | Total Direct Margin %              | <b></b>                                 |         |         |   | <del></del> |
| [20] | SAC Costs - No LIL                 | *************************************** |         |         | -                                       |             |
| [21] | Total Expenses:                    |   |         | 1       | *************************************** |             |
| [22] | Cash Based OPBDA                   |   |         |         |   |             |
| [23] | Cash Based OPBDA %                 |   |         |         |   |             |

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EchoStar provides local-into-local

Number of LIL Channels

|              |  |   |          | -                  |   |   |
|--------------|--|---|----------|--------------------|---|---|
|              |  | Year 2                                  | Year 3   | Year 4             | Year 5                                  | Year 6                                  |
|              | DIRECTV Provides Satellite Local-Into-<br>Customer Profile | Local Service                           |          |                    |   |   |
| [24]         | TV HH  | 247,211                                 | 249,683  | 252,180            | 254,702                                 | 257,249                                 |
| [25]         | Beginning Customers  |   | ,,,,,,,, |                    |   | 257,219                                 |
| [26]         | Gross Adds   |   |          | -                  | -                                       |   |
| [27]         | Disconnects  |   |          |                    |   |   |
| [28]         | Ending Customers   |   |          |                    |   |   |
| [29]         | Average Customers (2 pt avg)                               |   |          |                    |   |   |
| [30]         | Ending Penetration   |   |          |                    |   |   |
| [31]         | Disconnect Rate  |   |          |                    |   |   |
|              |  |   |          |                    |   |   |
| [32]<br>[33] | Average Gross Adds per Month Gross Add Rate                | <b></b>                                 |          |                    |   |   |
| լ၁၁յ         | LIL Customers  | \$                                      |          |                    |   |   |
|              | LIL Lift (upgrades) from No LIL                            |   |          |                    |   |   |
| [34]         | Total Customers + Lift                                     |   |          |                    |   |   |
| [35]         | LIL Beginning Customers                                    | <u> </u>                                |          |                    |   |   |
| [36]         | LIL Gross Adds   |   |          | •                  |   |   |
| [37]         | LIL Disconnects  |   |          |                    |   |   |
| [38]         | Ending Customers   |   |          |                    |   |   |
| [39]         | Average Customers (2 pt avg)                               |   |          |                    |   |   |
| [40]         | LIL Penetration  |   |          |                    |   |   |
| [41]         | Disconnect Rate  |   |          |                    |   |   |
|              | LIL Sell-in New Customers No LIL                           |   |          |                    |   |   |
| [42]         | Total Customers + Lift                                     |   |          |                    | *************************************** |   |
| [43]         | LIL Beginning Customers                                    |   |          |                    |   |   |
| [44]         | LIL Gross Adds   |   |          | -                  |   |   |
| [45]         | LIL Disconnects  |   |          |                    |   |   |
| [46]         | Ending Customers   |   |          |                    | 200000000                               |   |
| [47]         | Average Customers (2 pt avg)                               |   |          |                    |   |   |
| [48]         | LIL Penetration  |   |          |                    | <u> </u>                                | *************************************** |
| [49]         | Disconnect Rate  |   |          |                    |   |   |
|              | LIL Sell-in New Customers Lift from No LIL                 |   |          |                    |   |   |
| [50]         | Total Customers + Lift                                     |   |          |                    |   |   |
| [51]         | LIL Beginning Customers                                    | •                                       | Wilming  |                    |   |   |
| [52]         | LIL Gross Adds   | <b>,,</b>                               | -        |                    |   |   |
| [53]         | LIL Disconnects Ending Customers                           |   |          |                    |   |   |
| [54]         | Ending Customers   |   | -        |                    |   |   |
| [55]         | Average Customers (2 pt avg)                               |   | ******   |                    |   |   |
| [56]         | LIL Penetration  |   |          | SHIIII (1997)      | <b></b>                                 |   |
| [57]         | Disconnect Rate  |   |          |                    |   |   |
|              | Total LIL Customers  |   |          |                    |   |   |
| [58]         | Total Customers + Lift                                     |   |          |                    |   | -                                       |
| [59]         | LIL Beginning Customers                                    | 1                                       |          |                    |   |   |
| [60]         | LIL Gross Adds   |   |          |                    |   |   |
| [61]         | LIL Disconnects  |   |          |                    |   |   |
| [62]         | Ending Customers   | *************************************** |          | <u> بىرپائلىسى</u> |   |   |
| [63]         | Average Customers (2 pt avg)                               |   |          |                    |   |   |
| [64]         | LIL Penetration  |   |          |                    |   |   |
| [65]         | Disconnect Rate  |   |          |                    |   |   |

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Appendix N
EchoStar provides local-into-local

**Number of LIL Channels** 

|      |                                   | Year 2 | Year 3      | Year 4                                  | Year 5 | Year 6   |
|------|-----------------------------------|--------|-------------|---|--------|----------|
|      | Profit & Loss (\$k) - With LIL    |        |             |   |        |          |
|      | Revenue:                          |        |             |   |        |          |
| [66] | Package Revenue                   | ·····  |             |   |        |          |
|      | LIL Revenue:                      |        |             |   |        |          |
| [67] | Existing Cutomers Upgrade         |        |             |   |        |          |
| [68] | Baseline Gross Adds Sell-in       |        |             |   |        |          |
| [69] | Additional to Baseline Gross Adds |        |             |   |        |          |
| [70] | Total LIL Revenue                 |        |             |   |        |          |
| [71] | Total Revenue                     |        |             |   |        |          |
|      | Expenses:                         |        |             |   |        |          |
| [72] | Programming Costs                 |        |             |   |        |          |
| [73] | Bad Debt                          |        |             |   |        | -        |
| [74] | Customer related                  |        |             | *************************************** |        | <u> </u> |
| [75] | Total Direct costs                |        |             |   |        |          |
| [76] | Total Direct Margin               |        |             |   |        |          |
| [77] | Total Direct Margin %             |        |             | -                                       |        |          |
|      | SAC Costs with LIL:               |        |             |   |        |          |
| [78] | Standard SAC From No LIL scenario |        |             |   | سبياته |          |
| [79] | Incremental SAC with LIL          |        |             |   |        |          |
| [80] | Total SAC Costs                   |        |             |   |        |          |
| [81] | Backhaul Expenses                 |        | Processing. |   |        |          |
| [82] | Box replacement costs             | \$     |             |   |        |          |
| [83] | Total Expenses:                   |        |             |   |        |          |
| [84] |                                   |        |             |   |        |          |
| [85] | Cash Based OPBDA %                |        |             |   |        |          |

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## Appendix N

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EchoStar provides local-into-local

Number of LIL Channels

| [86] | Market level capital expenditures-outflow     | Year 2 | Year 3 | Year 4                                  | Year 5 | Year 6 |
|------|---|--------|--------|---|--------|--------|
|      | NPV-Based on var from No LIL to With LIL case |        |        |   |        |        |
| [87] | Cash Flows-With LIL                           |        |        |   |        |        |
| [88] | Cash Flows-No LIL                             |        |        | *************************************** |        |        |
| [89] | Incr/(Decr) from No LIL                       |        |        |   |        |        |
| [90] | NPV without Terminal Value                    |        |        |   |        |        |
| [91] | IRR   |        |        |   |        |        |
| [92] | Terminal Value                                |        |        |   |        |        |
| [93] | Cash Flows with Terminal Value                |        |        |   |        |        |
| [94] | NPV with Terminal Value                       |        |        |   |        |        |
| [95] | IRR   |        |        |   |        |        |

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Appendix N REDACTED - FOR EchoStar does not and will not provide local-into-local

Number of LIL Channels

|                |                                      | Year 2            | Year 3                                  | Year 4                                  | Year 5                                  | Year 6  |
|----------------|--------------------------------------|-------------------|---|---|---|---------|
|                | DIRECTV Does Not Provide Satellite L | ocal-Into-Local S | Service                                 |   |   |         |
|                | Customer Profile                     |                   |   |   |   |         |
| [1]            | TV HH                                | 205,645           | 207,701                                 | 209,778                                 | 211,876                                 | 213,995 |
| [2]            | Beginning Customers                  |                   |   |   |   | -       |
| [3]            | Gross Adds                           |                   |   |   |   |         |
| [4]            | Disconnects                          |                   |   |   |   |         |
| [5]            | Ending Customers                     |                   |   |   |   |         |
| [6]            | Average Customers (2 pt avg)         |                   |   |   |   |         |
| [7]            | Ending DIRECTV Market Share          |                   |   |   |   | 11.1%   |
| [8]            | Disconnect Rate                      |                   |   |   |   |         |
| <del>[9]</del> | Average Gross Adds per Month         | ;===              | -                                       |   |   |         |
| [10]           | Gross Add Rate                       |                   | <b>I</b>                                |   |   |         |
|                | Profit & Loss (\$k) - No LIL         |                   |   |   |   |         |
|                | Revenue:                             |                   |   |   |   |         |
| [11]           | Base Package Revenue                 |                   |   |   |   |         |
| [12]           | LIL Revenue                          |                   | <u>-</u>                                |   | <del>-</del>                            | -       |
| [13]           | Total Revenue                        |                   |   | *************************************** |   |         |
|                | Expenses:                            |                   |   |   |   |         |
| [14]           | Programming Costs                    |                   |   | بيهاناندهمسه                            |   |         |
| [15]           | Bad Debt                             |                   |   |   |   |         |
| [16]           | Customer related                     |                   |   |   |   |         |
| [17]           | Total Direct costs                   |                   |   |   |   |         |
| [18]           | Total Direct Margin                  |                   |   |   | -                                       |         |
| [19]           | Total Direct Margin %                |                   | *************************************** |   |   |         |
| [20]           | SAC Costs - No LIL                   |                   |   |   | *************************************** |         |
| [21]           | Total Expenses:                      |                   |   | -                                       |   |         |
| [22]           | Cash Based OPBDA                     |                   |   |   |   |         |
| [23]           | Cash Based OPBDA %                   |                   |   |   |   |         |
|                |                                      |                   |   |   |   |         |

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Appendix N REDACTED - FOR EchoStar does not and will not provide local-into-local

**Number of LIL Channels** 

|              |  | Year 2  | Year 3                                  | Year 4      | Year 5                                  | Year 6                                  |
|--------------|--|---|---|-------------|---|---|
|              | DIRECTV Provides Satellite Local-Into-I                | Local Service                                 |   |             |   |   |
|              | Customer Profile                                       |   |   |             |   |   |
| [24]         | TV HH  | 205,645                                       | 207,701                                 | 209,778     | 211,876                                 | 213,995                                 |
| [25]         | Beginning Customers                                    |   |   |             |   |   |
| [26]         | Gross Adds   |   |   |             |   |   |
| [27]         | Disconnects  |   |   |             |   |   |
| [28]         | Ending Customers                                       |   |   |             |   |   |
| [29]         | Average Customers (2 pt avg)                           |   |   |             |   |   |
| [30]         | Ending Penetration                                     |   |   |             |   |   |
| [31]         | Disconnect Rate  |   | -                                       |             |   |   |
| [32]         | Average Gross Adds per Month                           | -   |   |             | -                                       | *************************************** |
| [33]         | Gross Add Rate   |   |   |             |   |   |
|              | LIL Customers  |   |   |             |   |   |
|              | LIL Lift (upgrades) from No LIL Total Customers + Lift |   |   |             |   |   |
| [34]<br>[35] | LIL Beginning Customers                                | -   |   |             |   |   |
| [36]         | LIL Gross Adds   | P   |   |             |   | _                                       |
| [37]         | LIL Disconnects  |   |   | -           | _                                       | _                                       |
| [38]         | Ending Customers                                       |   | *************************************** |             |   |   |
| [39]         | Average Customers (2 pt avg)                           |   |   |             |   |   |
| [40]         | LIL Penetration  |   |   |             |   |   |
| [41]         | Disconnect Rate  |   |   |             |   |   |
|              | LIL Sell-in New Customers No LIL                       |   |   |             |   |   |
| [42]         | Total Customers + Lift                                 |   |   |             |   |   |
| [43]         | LIL Beginning Customers                                | 3   |   |             |   |   |
| [44]         | LIL Gross Adds   | <b>Consum</b>                                 |   |             |   |   |
| [45]         | LIL Disconnects  |   |   |             |   |   |
| [46]         | Ending Customers                                       |   |   |             |   |   |
| [47]         | Average Customers (2 pt avg)                           |   |   |             | *************************************** |   |
| [48]         | LIL Penetration  |   |   |             |   |   |
| [49]         | Disconnect Rate  |   |   |             |   |   |
|              | LIL Sell-in New Customers Lift from No LIL             |   |   |             |   |   |
| [50]         | Total Customers + Lift                                 |   |   |             |   |   |
| [51]         | LIL Beginning Customers                                |   | *************************************** |             |   |   |
| [52]<br>[53] | LIL Gross Adds<br>LIL Disconnects                      |   |   |             |   |   |
| [54]         | Ending Customers                                       |   |   |             |   |   |
|              | _  |   | -                                       | <del></del> |   |   |
| [55]         | Average Customers (2 pt avg)                           |   |   |             |   |   |
| [56]         | LIL Penetration  |   |   |             |   |   |
| [57]         | Disconnect Rate  |   |   |             | <b>E</b>                                |   |
|              | Total LIL Customers                                    |   |   |             |   |   |
| [58]         | Total Customers + Lift                                 |   |   | -           |   |   |
| [59]         | LIL Beginning Customers                                | <b>1</b>                                      |   |             |   |   |
| [60]         | LIL Gross Adds   |   | -                                       | افييون      |   |   |
| [61]         | LIL Disconnects  |   |   |             |   |   |
| [62]         | Ending Customers                                       | — <u>————————————————————————————————————</u> | <del>-</del>                            |             | <del></del>                             | <del></del>                             |
| [63]         | Average Customers (2 pt avg)                           |   |   |             |   |   |
| [64]         | LIL Penetration  |   |   |             |   |   |
| [65]         | Disconnect Rate  |   |   |             |   | 60                                      |

### Columbus GA

## Appendix N

**REDACTED - FOR PUBLIC INSPECTION** 

EchoStar does not and will not provide local-into-local

Number of LIL Channels

|      |                                   | Year 2 | Year 3 | Year 4                                  | Year 5    | Year 6     |
|------|-----------------------------------|--------|--------|---|-----------|------------|
|      | Profit & Loss (\$k) - With LIL    |        |        |   |           |            |
|      | Revenue:                          |        |        |   |           |            |
| [66] | Package Revenue                   |        |        |   |           |            |
|      | LIL Revenue:                      |        |        |   |           |            |
| [67] | Existing Cutomers Upgrade         |        |        |   | ويسيوكنها |            |
| [68] | Baseline Gross Adds Sell-in       |        |        |   |           |            |
| [69] | Additional to Baseline Gross Adds |        |        |   |           |            |
| [70] | Total LIL Revenue                 |        |        | *************************************** |           |            |
| [71] | Total Revenue                     |        |        | <u> </u>                                |           |            |
|      | Expenses:                         |        |        |   |           |            |
| [72] | Programming Costs                 |        |        |   |           |            |
| [73] | Bad Debt                          |        |        |   |           | terministi |
| [74] | Customer related                  |        |        |   |           |            |
| [75] | Total Direct costs                |        |        |   |           |            |
| [76] | Total Direct Margin               |        |        |   |           |            |
| [77] | Total Direct Margin %             |        |        |   |           |            |
|      | SAC Costs with LIL:               |        |        |   |           |            |
| [78] |                                   |        |        |   |           |            |
| [79] | Incremental SAC with LIL          |        |        |   |           |            |
| [80] | Total SAC Costs                   |        |        |   |           |            |
| [81] | Backhaul Expenses                 | Samuel |        |   | -         |            |
| [82] | Box replacement costs             |        |        |   |           |            |
| [83] | Total Expenses:                   |        |        |   |           |            |
| [84] |                                   |        |        |   |           |            |
| [85] | Cash Based OPBDA %                |        |        |   |           |            |

Columbus GA

### Appendix N

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EchoStar does not and will not provide local-into-local

Number of LIL Channels

|      |   | Year 2 | Year 3                                  | Year 4 | Year 5 | Year 6 |
|------|---|--------|---|--------|--------|--------|
| [86] | Market level capital expenditures-outflow     |        |   |        |        |        |
|      | NPV-Based on var from No LIL to With LIL case |        |   |        |        |        |
| [87] | Cash Flows-With LIL                           |        |   |        |        |        |
| [88] | Cash Flows-No LIL                             |        |   | -      |        |        |
| [89] | Incr/(Decr) from No LIL                       |        | 100000000000000000000000000000000000000 |        |        | -      |
| [90] | NPV without Terminal Value                    |        |   |        |        |        |
| [91] | IRR   |        |   |        |        |        |
| [92] | Terminal Value                                |        |   |        |        |        |
| [93] | Cash Flows with Terminal Value                |        |   |        |        |        |
| [94] | NPV with Terminal Value                       |        |   |        |        |        |
| [95] | IRR   |        |   |        |        |        |

Amarillo TX

Appendix N
EchoStar provides local-into-local

**Number of LIL Channels** 

|      |   | Year 2           | Year 3   | Year 4 | Year 5                                  | Year 6 |
|------|---|------------------|----------|--------|---|--------|
|      | <b>DIRECTV Does Not Provide Satellite</b> | Local-Into-Local | Service  |        |   |        |
|      | Customer Profile                          | Local-Into-Local | BCI VICC |        |   |        |
| [1]  | TV HH                                     |                  |          |        |   |        |
| [2]  | Beginning Customers                       |                  |          |        |   |        |
| [3]  | Gross Adds                                |                  |          |        |   |        |
| [4]  | Disconnects                               |                  |          |        |   |        |
| [5]  | Ending Customers                          |                  |          |        |   |        |
| [6]  | Average Customers (2 pt avg)              |                  | -        |        |   |        |
| [7]  | Ending DIRECTV Market Share               |                  |          |        | <b>*********</b>                        |        |
| [8]  | Disconnect Rate                           | -                | Cim      | •      |   |        |
| [9]  | Average Gross Adds per Month              |                  |          |        |   |        |
| [10] | Gross Add Rate                            |                  | -        |        |   |        |
|      | Profit & Loss (\$k) - No LIL              |                  |          |        |   |        |
|      | Revenue:                                  |                  |          |        |   |        |
| [11] | Base Package Revenue                      |                  |          |        |   |        |
| [12] | LIL Revenue                               |                  |          |        |   |        |
| [13] | Total Revenue                             |                  |          |        |   |        |
|      | Expenses:                                 |                  |          |        |   |        |
| [14] | Programming Costs                         |                  |          |        |   |        |
| [15] | Bad Debt                                  |                  |          |        |   |        |
| [16] | Customer related                          |                  |          |        |   |        |
| [17] | Total Direct costs                        | \$               |          |        |   |        |
| [18] | Total Direct Margin                       |                  |          |        |   |        |
| [19] | Total Direct Margin %                     |                  |          |        | t                                       |        |
| [20] | SAC Costs - No LIL                        |                  |          |        |   | -      |
| [21] | Total Expenses:                           |                  |          |        | *************************************** | -      |
| [22] | Cash Based OPBDA                          | <u> </u>         |          |        |   |        |
| [23] | Cash Based OPBDA %                        |                  |          |        |   |        |

### Appendix N

Amarillo TX EchoSta

[65] Disconnect Rate

EchoStar provides local-into-local Number of LIL Channels

13 Year 2 Year 3 Year 4 Year 5 Year 6 **DIRECTV Provides Satellite Local-Into-Local Service Customer Profile** 196,791 198,758 200,746 192,913 194,842 TV HH [24] [25] **Beginning Customers** Gross Adds [26] [27] Disconnects **Ending Customers** [28] [29] Average Customers (2 pt avg) [30] **Ending Penetration** Disconnect Rate [31] [32] Average Gross Adds per Month [33] Gross Add Rate LIL Customers LIL Lift (upgrades) from No LIL [34] Total Customers + Lift [35] LIL Beginning Customers [36] LIL Gross Adds [37] LIL Disconnects [38] Ending Customers [39] Average Customers (2 pt avg) [40] LIL Penetration Disconnect Rate [41] LIL Sell-in New Customers No LIL [42] Total Customers + Lift [43] LIL Beginning Customers [44] LIL Gross Adds LIL Disconnects [45] **Ending Customers** [46] Average Customers (2 pt avg) LIL Penetration [48] [49] Disconnect Rate LIL Sell-in New Customers Lift from No LIL [50] Total Customers + Lift [51] LIL Beginning Customers [52] LIL Gross Adds LIL Disconnects [53] [54] **Ending Customers** Average Customers (2 pt avg) [55] LIL Penetration [56] [57] Disconnect Rate **Total LIL Customers** [58] Total Customers + Lift [59] LIL Beginning Customers [60] LIL Gross Adds [61] LIL Disconnects [62] **Ending Customers** Average Customers (2 pt avg) [63] LIL Penetration [64]

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Amarillo TX

Appendix N
EchoStar provides local-into-local

**Number of LIL Channels** 

|        |                                   | Year 2 | Year 3 | Year 4  | Year 5 | Year 6    |
|--------|-----------------------------------|--------|--------|---------|--------|-----------|
|        | Profit & Loss (\$k) - With LIL    |        |        |         |        |           |
|        | Revenue:                          |        |        |         |        |           |
| [66]   | Package Revenue                   |        |        |         |        | <b></b> j |
|        | LIL Revenue:                      |        |        |         |        |           |
| [67]   | Existing Cutomers Upgrade         |        |        |         |        |           |
| [68]   | Baseline Gross Adds Sell-in       |        |        |         |        |           |
| [69]   | Additional to Baseline Gross Adds |        |        |         | 1000   |           |
| [70]   | Total LIL Revenue                 |        |        |         |        |           |
| [71]   | Total Revenue                     |        |        |         |        |           |
|        | Expenses:                         |        |        |         |        |           |
| [72]   | Programming Costs                 |        |        |         |        |           |
| [73]   | Bad Debt                          |        |        |         | -      |           |
| [74]   | Customer related                  |        |        |         |        |           |
| [75]   | Total Direct costs                |        |        |         | -      |           |
| [76]   | Total Direct Margin               |        |        |         |        |           |
| [77]   | Total Direct Margin %             | -      |        |         |        |           |
|        | SAC Costs with LIL:               |        |        |         |        |           |
| [78]   | Standard SAC From No LIL scenario |        |        |         |        |           |
| [79]   | Incremental SAC with LIL          |        |        |         |        |           |
| - [80] | Total SAC Costs                   |        |        |         |        |           |
| [81]   | Backhaul Expenses                 |        |        |         | :      |           |
| [82]   | Box replacement costs             |        |        | <b></b> |        |           |
| [83]   | -                                 |        |        |         |        |           |
| [84]   |                                   |        |        |         |        |           |
| [85]   | Cash Based OPBDA %                |        |        |         |        |           |

Amarillo TX

## Appendix N

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EchoStar provides local-into-local

Number of LIL Channels

|      |  | Year 2                                  | Year 3                                  | Year 4 | Year 5 | Year 6 |  |
|------|--|---|---|--------|--------|--------|--|
| [86] | Market level capital expenditures-outflow  |   |   |        |        |        |  |
|      | NPV-Based on var from No LIL to With LIL c | ease                                    |   |        |        |        |  |
| [87] | Cash Flows-With LIL                        |   |   |        |        |        |  |
| [88] | Cash Flows-No LIL                          |   | *************************************** |        |        |        |  |
| [89] | Incr/(Decr) from No LIL                    |   |   |        |        |        |  |
| [90] | NPV without Terminal Value                 |   |   |        |        |        |  |
| [91] | IRR  | -                                       |   |        |        |        |  |
| [92] | Terminal Value                             |   |   |        |        | \$     |  |
| [93] | Cash Flows with Terminal Value             |   |   |        |        | 4      |  |
| [94] | NPV with Terminal Value                    | *************************************** |   |        |        |        |  |
| [95] | IRR  |   |   |        |        |        |  |

Appendix N
EchoStar provides local-into-local

**Number of LIL Channels** 

|      |                                      | Year 2                                  | Year 3       | Year 4         | Year 5  | Year 6                                  |
|------|--------------------------------------|---|--------------|----------------|---------|---|
|      | DIRECTV Does Not Provide Satellite I | ocal-Into-Local S                       | Service      |                |         |   |
|      | Customer Profile                     |   |              |                |         |   |
| [1]  | TV HH                                | 177,492                                 | 179,267      | 181,060        | 182,870 | 184,699                                 |
| [2]  | Beginning Customers                  |   |              |                |         |   |
| [3]  | Gross Adds                           |   |              |                |         |   |
| [4]  | Disconnects                          |   |              |                |         |   |
| [5]  | Ending Customers                     |   |              | <b>Andrews</b> |         |   |
| [6]  | Average Customers (2 pt avg)         |   | (            |                |         |   |
| [7]  | Ending DIRECTV Market Share          |   |              |                |         |   |
| [8]  | Disconnect Rate                      |   |              |                |         |   |
| [9]  | Average Gross Adds per Month         |   | 100000       |                |         |   |
| [10] | Gross Add Rate                       | *************************************** |              |                |         | -                                       |
|      | Profit & Loss (\$k) - No LIL         |   |              |                |         |   |
|      | Revenue:                             |   |              |                |         |   |
| [11] | Base Package Revenue                 |   |              |                |         |   |
| [12] | LIL Revenue                          |   | <del>-</del> | -              | -       |   |
| [13] | Total Revenue                        |   |              |                |         |   |
|      | Expenses:                            |   |              |                |         |   |
| [14] | Programming Costs                    |   |              |                |         |   |
| [15] | Bad Debt                             |   |              |                | -       | -                                       |
| [16] | Customer related                     |   |              |                |         |   |
| [17] | Total Direct costs                   |   |              |                |         | L                                       |
| [18] | Total Direct Margin                  |   |              |                |         |   |
| [19] | Total Direct Margin %                |   |              |                |         | C3                                      |
| [20] | SAC Costs - No LIL                   | *************************************** |              |                | -       |   |
| [21] | Total Expenses:                      |   |              |                |         | *************************************** |
| [22] | Cash Based OPBDA                     |   |              |                |         |   |
| [23] | Cash Based OPBDA %                   |   |              |                |         |   |

Appendix N
EchoStar provides local-into-local **Number of LIL Channels** 

|               |  | Year 2                                | Year 3          | Year 4                                  | Year 5                                  | Year 6 |
|---------------|--|---------------------------------------|-----------------|---|---|--------|
|               | DIRECTV Provides Satellite Local-Into          | -Local Service                        |                 |   |   |        |
| (0.43         | Customer Profile                               |                                       |                 |   |   |        |
| [24]          | TV HH  |                                       |                 |   |   |        |
| [25]          | Beginning Customers Gross Adds                 |                                       |                 |   |   |        |
| [26]<br>[27]  | Disconnects                                    |                                       |                 |   |   |        |
| [28]          | Ending Customers                               |                                       |                 |   |   |        |
|               | -  |                                       |                 |   | • <u> </u>                              |        |
| [29]          | Average Customers (2 pt avg)                   |                                       |                 |   | *************************************** |        |
| [30]          | Ending Penetration                             |                                       |                 |   |   |        |
| [31]          | Disconnect Rate                                |                                       |                 |   |   |        |
| [32]          | Average Gross Adds per Month                   |                                       |                 |   |   |        |
| [33]          | Gross Add Rate                                 |                                       | -               | -                                       |   |        |
|               | LIL Customers                                  |                                       |                 |   |   |        |
|               | LIL Lift (upgrades) from No LIL                |                                       |                 |   |   |        |
| [34]          | Total Customers + Lift                         |                                       |                 | *************************************** |   |        |
| [35]          | LIL Beginning Customers                        |                                       |                 |   |   |        |
| [36]          | LIL Gross Adds                                 |                                       |                 | •                                       |   |        |
| [37]          | LIL Disconnects                                |                                       |                 | •                                       |   |        |
| [38]          | Ending Customers                               |                                       |                 |   |   |        |
| [39]          | Average Customers (2 pt avg)                   |                                       |                 |   |   |        |
| [40]          | LIL Penetration                                |                                       |                 |   |   |        |
| [41]          | Disconnect Rate                                |                                       |                 |   |   |        |
|               |  | • •                                   |                 |   |   |        |
|               | LIL Sell-in New Customers No LIL               |                                       |                 |   |   |        |
| [42]          | Total Customers + Lift                         |                                       |                 |   |   |        |
| [43]          | LIL Beginning Customers                        | -                                     |                 |   |   |        |
| [44]          | LIL Gross Adds                                 |                                       | <u>jananani</u> |   |   |        |
| [45]          | LIL Disconnects                                |                                       |                 |   |   |        |
| [46]          | Ending Customers                               |                                       |                 |   |   | -      |
| [47]          | Average Customers (2 pt avg)                   |                                       |                 |   |   |        |
| [48]          | LIL Penetration                                |                                       |                 |   |   |        |
| [49]          | Disconnect Rate                                |                                       |                 |   |   |        |
|               |  |                                       |                 |   |   |        |
|               | LIL Sell-in New Customers Lift from No LIL     |                                       |                 |   |   |        |
| [50]          | Total Customers + Lift                         |                                       | 1               |   |   |        |
| [51]          | LIL Beginning Customers                        | -                                     |                 |   |   |        |
| [52]          | LIL Gross Adds LIL Disconnects                 | • • • • • • • • • • • • • • • • • • • |                 |   |   |        |
| [53]<br>[54]  | Ending Customers                               |                                       |                 |   |   |        |
|               | Linding Customers                              |                                       | <del></del>     | <del></del>                             |   |        |
| [55]          | Average Customers (2 pt avg)                   |                                       |                 |   |   |        |
| [56]          | LIL Penetration                                |                                       |                 |   | *************************************** | -      |
| [57]          | Disconnect Rate                                |                                       |                 |   |   | -      |
|               | T-4-LLH Co-4                                   |                                       |                 |   |   |        |
| [ <b>#</b> 01 | Total Customers                                |                                       |                 |   |   |        |
| [58]<br>[59]  | Total Customers + Lift LIL Beginning Customers |                                       |                 |   |   |        |
| [60]          | LIL Gross Adds                                 | <b>*</b>                              |                 |   |   |        |
| [61]          | LIL Disconnects                                |                                       |                 |   |   |        |
| [62]          | Ending Customers                               |                                       |                 |   |   |        |
|               | <del>-</del>                                   |                                       | <del></del>     |   |   |        |
| [63]          | Average Customers (2 pt avg)                   |                                       |                 |   |   |        |
| [64]          | LIL Penetration                                |                                       |                 |   |   |        |
| [65]          | Disconnect Rate                                |                                       |                 |   | ,                                       | 68     |

Appendix N
EchoStar provides local-into-local **Number of LIL Channels** 

|      |                                   | Year 2 | Year 3                                  | Year 4                                  | Year 5                                  | Year 6 |
|------|-----------------------------------|--------|---|---|---|--------|
|      | Profit & Loss (\$k) - With LIL    |        |   |   | · · · · · · · · · · · · · · · · · · ·   |        |
|      | Revenue:                          |        |   |   |   |        |
| [66] | Package Revenue                   | \$     |   |   |   |        |
|      | LIL Revenue:                      |        |   |   |   |        |
| [67] | Existing Cutomers Upgrade         |        |   |   |   |        |
| [68] | Baseline Gross Adds Sell-in       |        | *************************************** |   | *************************************** |        |
| [69] | Additional to Baseline Gross Adds |        |   |   |   |        |
| [70] | Total LIL Revenue                 |        |   |   | -                                       |        |
| [71] | <b>Total Revenue</b>              |        |   |   |   |        |
|      | Expenses:                         | •      |   |   |   |        |
| [72] | Programming Costs                 | \$     |   |   |   |        |
| [73] | Bad Debt                          |        | -                                       | *************************************** |   |        |
| [74] | Customer related                  | \$     |   |   | *************************************** |        |
| [75] | Total Direct costs                | \$     |   |   |   |        |
| [76] | Total Direct Margin               |        |   |   |   |        |
| [77] | Total Direct Margin %             |        |   |   |   |        |
|      | SAC Costs with LIL:               |        |   |   |   |        |
| [78] | Standard SAC From No LIL scenario |        |   |   |   |        |
| [79] | Incremental SAC with LIL          |        |   |   |   |        |
| [80] | Total SAC Costs                   |        |   |   |   |        |
| [81] | Backhaul Expenses                 | \$     |   |   |   |        |
| [82] | Box replacement costs             |        |   |   |   |        |
| [83] | Total Expenses:                   |        |   |   |   |        |
| [84] |                                   |        |   |   |   |        |
| [85] | Cash Based OPBDA %                | -      |   |   |   |        |

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Appendix N
EchoStar provides local-into-local

**Number of LIL Channels** 

|      |   |   |        | _      |        |        |
|------|---|---|--------|--------|--------|--------|
|      |   | Year 2                                  | Year 3 | Year 4 | Year 5 | Year 6 |
| [86] | Market level capital expenditures-outflow   |   |        |        |        |        |
|      | NPV-Based on var from No LIL to With LIL ca | se                                      |        |        |        |        |
| [87] | Cash Flows-With LIL                         |   |        |        |        | -      |
| [88] | Cash Flows-No LIL                           |   |        |        | -      |        |
| [89] | Incr/(Decr) from No LIL                     | *************************************** |        |        | -      |        |
| [90] | NPV without Terminal Value                  | *************************************** |        |        |        |        |
| [91] | IRR   |   |        |        |        |        |
| [92] | Terminal Value                              |   |        |        |        |        |
| [93] | Cash Flows with Terminal Value              |   |        |        |        |        |
| [94] | NPV with Terminal Value                     |   |        |        |        |        |
| [95] | IRR   |   |        |        |        |        |

### Erie PA

Appendix N
EchoStar provides local-into-local Number of LIL Channels

|      |                                    | Year 2                                  | Year 3  | Year 4                                  | Year 5                                  | Year 6  |
|------|------------------------------------|---|---------|---|---|---------|
|      | DIRECTV Does Not Provide Satellite | Local-Into-Local S                      | Service |   |   |         |
|      | Customer Profile                   |   |         |   |   |         |
| [1]  | TV HH                              | 161,009                                 | 162,619 | 164,245                                 | 165,888                                 | 167,547 |
| [2]  | Beginning Customers                |   |         | *************************************** |   |         |
| [3]  | Gross Adds                         |   |         |   | -                                       |         |
| [4]  | Disconnects                        |   |         |   |   |         |
| [5]  | Ending Customers                   |   |         | ************                            |   |         |
| [6]  | Average Customers (2 pt avg)       |   |         |   | -                                       |         |
| [7]  | Ending DIRECTV Market Share        |   |         |   |   |         |
| [8]  | Disconnect Rate                    |   |         |   |   |         |
| [9]  | Average Gross Adds per Month       |   |         |   |   |         |
| [10] | Gross Add Rate                     | Hammann.                                |         |   |   | -       |
|      | Profit & Loss (\$k) - No LIL       |   |         |   |   |         |
|      | Revenue:                           |   |         |   |   |         |
| [11] | Base Package Revenue               |   |         |   |   |         |
| [12] | LIL Revenue                        | -                                       | -       | <del>-</del> .                          | -                                       |         |
| [13] | Total Revenue                      | \$ <del></del>                          |         |   |   |         |
|      | Expenses:                          |   |         |   |   |         |
| [14] | Programming Costs                  |   | -       |   |   |         |
| [15] | Bad Debt                           |   |         |   |   |         |
| [16] | Customer related                   |   |         |   |   |         |
| [17] | Total Direct costs                 |   |         |   |   |         |
| [18] | Total Direct Margin                | *************************************** |         |   | *************************************** |         |
| [19] | Total Direct Margin %              |   |         |   |   |         |
| [20] | SAC Costs - No LIL                 |   |         | *************************************** |   |         |
| [21] | Total Expenses:                    |   |         | *************************************** |   |         |
| [22] | Cash Based OPBDA                   | -                                       |         |   |   |         |
| [23] | Cash Based OPBDA %                 |   |         |   |   |         |